

Foreign Trade Statistics Regulations

U S C E N S U S B U R E A U

Helping You Make Informed Decisions



Today's Topics

- Regulatory Requirements
- USPPI
- Mandatory Filing in AES
- AES Filer License Program
- Outreach & Education



SED Legal/Regulatory Authority

Required under provisions of Titles 13 and 50, U.S. Code and codified as follows:

- **Statistics:**

- Foreign Trade Statistics Regulations,
15 CFR Part 30

- **Enforcement:**

- Export Administration Regulations,
15 CFR Part 730-764



Primary SED Players

- Player # 1 - U.S. Principal Party in Interest (USPPI)
- Player #2 – Foreign Principal Party in Interest (FPPI)
- Player #3 – Forwarding Agent of USPPI or FPPI



Mandatory AES

- Public Law 106-113, Title XII, “Security Assistance Act”, Subtitle E, “Proliferation Prevention Enhancement Act of 1999”
- Requires mandatory filing of commodities on the Commerce Control List (CCL) and the State Departments U.S. Munitions List (USML) that currently require an SED via AES



Mandatory AES

- 8 New Data Elements in AES for State Department
- Items Will Not Be Added to SED
- *AESDirect* will be Ready



Notice of Proposed Rulemaking

- Published in the Federal Register on October 9, 2002
- 60 day comment period ended on December 9, 2002
- Implementation 90 days after Final Rule is published in Federal Register
- State will provide regulations on time of filing & structure of exemption statement
- ? Eliminate Option 4 ?



Additional Requirements in the NPR

- Address of the USPPI – where the merchandise actually starts its journey to the port of export
- Requires the freight forwarders EIN on the paper SED
- Exemption legend must be delivered to carrier when the cargo is tendered



Mandatory AES for All Shipments

- Public Law 107-228
- “Security Assistance Act of 2002”
- Signed into law September 30, 2002
- “...all persons who are required to file export information under Chapter 9, Title 13, U.S. Code, file such information through the AES”



Mandatory AES for All Shipments

- Increased penalties for carriers - for delayed filing or failure to file are increased to \$1,000/day and \$10,000 per violation
- New civil penalties for USPPs and intermediaries – same as carriers
- New criminal penalties for knowingly failing to file, fraudulent filing, or furthering illegal activities; \$10,000 or 5 years or both



Mandatory AES Implementation

- 3 Step Process:
 1. Early 2003 – raw and rough cut diamonds subject to export control – includes 3 HS numbers – waiting for legislation
 2. Mid 2003 – USML and CCL shipments which require an SED
 3. Mid 2004 – all other export shipments



AES Filer License Program

- Proposal
- All Companies Filing Through AES Must Have At Least One Licensed Individual Per Filing Location



What Do We Want To Accomplish?

- Increase Our Confidence Level In AES Users
- Increase The Confidence Level Of People Selecting A Licensed Filer
- Eliminate Filing Errors And Improve Quality Of Export Data
- Enable Trade To Be In Compliance With Export Regulations And Avoid Penalties



Who Must Be Licensed?

- USPPIs, Freight Forwarders, and other agents (NVOCCs, consolidators, etc.)
- These Individuals Must:
 - Pass The License Exam
 - Be A U.S. Citizen
 - Have a Social Security Number
 - Be 21 Years Of Age
 - Pass A Background Check



How Long Will The License Last?

- License Will Last For 5 Years
- Must Have 40 Hours of Continuing Education During The 5 Years



Plans For Filer License Program

- Program Notice In Federal Register (Spring 2003)
- Notice Of Proposed Rulemaking (Fall 2003)
- Final Rule (Early 2004)
- Implementation Along With Mandatory AES For All Export Shipments



SED Exemptions Do Not Apply

- Commerce (BIS) Licenses
- State Department Licenses
- T7 - Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria, and Serbia(excluding Kosovo)



SED Exemptions Do Not Apply (Cont'd)

- Drug Enforcement Administration Permits
- Office of Foreign Assets Control



Record Retention

- For Census - Retain 5 years
- For other government licensing agencies - according to their regulations.



Outreach and Education

- U.S. Export Regulations Seminar
- \$175/ \$125 for the second person
- Census, BIS, Customs, State
- Upcoming seminars in 2003:
 - Charlotte, NC Mar. 27, 2003
 - Miami, FL Apr. 17, 2003
 - Atlanta, Ga. May 8, 2003



Additional Information

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